UNITED STATES DEPARTMENT OF EDUCATION
Office of Special Education and Rehabilitative Services
Rehabilitation Services Administration

GENERAL REQUIREMENTS

Applicable Programs:

- State Supported Employment Services - A (SE-A) (Assistance Listing Number (ALN) 84.187A)
- State Supported Employment Services - B (SE-B) (ALN 84.187B)

Requirements:

This Federal award has a one-year grant period, as specified in Box 6 ("Federal Funding Period") on the Grant Award Notification (GAN).

1. Section 19(a)(1) of the Rehabilitation Act of 1973, as amended (Rehabilitation Act), permits recipients to carry over Federal funds for obligation and expenditure in the subsequent Federal fiscal year (FFY).[1] This means that recipients may carry over Federal funds for one year beyond the year of appropriation, which is the Federal Funding Period listed in Box 6 on the GAN. For example, the year of appropriation for FFY 2024 awards began on October 1, 2023, and ended on September 30, 2024. The subsequent year, or carryover year, for FFY 2024 awards starts on October 1, 2024, and ends on September 30, 2025.

2. To qualify for carryover, recipients must have an unobligated balance of Federal funds at the end of the year of appropriation. *In addition*, *Section 19(b) of the Rehabilitation Act makes clear that Federal grant funds remain available for obligation and use in the subsequent FFY (i.e., the carryover year) only if the recipient satisfied its match requirement during the year of appropriation*. This means that recipients must satisfy the match requirement by the end of the year of appropriation (i.e., by September 30), as specified in Box 6 on the GAN, and have an unobligated balance of Federal State Supported Employment Services (SE) funds to carry over matched unobligated Federal funds into the subsequent FFY for obligation and use. The SE-B grant is subject to a 10 percent non-Federal share requirement.

   Because the SE-B component of the SE program has a matching requirement, recipients[2] must obligate and/or expend the non-Federal share to be used as match for the SE-B award by

[1] The Supported Employment grant program funds are subject to Section 19 of the Rehabilitation Act regarding the carryover of funds, not Section 421(b) of the General Education Provisions Act (20 U.S.C. 1225(b)), commonly referred to as the "Tydings period" or the "period permitted by the Tydings Amendment."
[2] Pursuant to Section 606(b)(7)(I) of the Rehabilitation Act, each State agency designated under Section 606(b)(1) of the Rehabilitation Act to administer the SE program is responsible for satisfying the match requirement under the SE

the end of the year of appropriation. To carry over unobligated SE-A and SE-B Federal funds to a subsequent FFY, recipients must obligate the non-Federal share to be used as match for the SE-B award by the end of the year of appropriation. Recipients may only carry over unobligated SE-A funds proportionate to the amount of SE-B funds matched in the year of appropriation.

Recipients should be mindful that they may not expend more in SE-A Federal funds than the SE-B funds that are matched by the end of the year of appropriation and expended by the end of the period of performance. This means that the Final SF-425 (Federal Financial Report) must reflect that the amount of funds drawn down and disbursed from G5 for the SE-A award cannot exceed the amount of matched funds drawn down and disbursed from the SE-B award.

To satisfy the carryover requirement of Section 19(b) of the Rehabilitation Act, non- Federal obligations counted toward satisfying a program's match requirement must be:

A. incurred during the year of appropriation; and
B. liquidated either in the year of appropriation or in the subsequent FFY, including the 120-day liquidation period.

This means that non-Federal obligations that are cancelled, or otherwise fail to liquidate, after the year of appropriation may not be used toward satisfying the match requirement. In such instances, the recipient must revise its financial reports to report a lower amount of non-Federal share on its Federal Financial Report (SF-425). In the alternative, the recipient could make accounting adjustments if it has other expenditures that were paid during the year of appropriation with Federal funds that could have been paid with non-Federal funds that were available at that time to substitute for the obligations that "fell through." Such accounting adjustments must be made in the recipient's accounting systems to ensure the SF-425 financial data are consistent with the recipient's accounting records and consistent with financial management requirements at 2 C.F.R. § 200.302. Failure to liquidate sufficient non-Federal obligations or make the necessary accounting adjustments could result in more Federal SE funds being carried over than were authorized, which could result in a match deficit for the recipient and RSA seeking recovery of those funds.

For example, a recipient receives $100,000 in Federal funds for its FFY 2023 SE program. The

---

program. This means when a State has two agencies that are recipients of SE-A and SE-B funding, each agency is responsible for meeting its own match responsibility for the SE-B funding when determining whether a recipient of Federal SE funds has matched any available unobligated SE-B funds and, therefore, may carry them over to the subsequent fiscal year in accordance with Section 19(b) of the Rehabilitation Act. This differs from the State Vocational Rehabilitation Services (VR) program because Section 101(a)(3) of the Rehabilitation Act makes clear that satisfaction of the match requirement under the VR program is the responsibility of the State, not the designated State unit or agency. Therefore, for purposes of the VR program, determinations of whether VR funds have been matched and are eligible to be carried over into the subsequent fiscal year in accordance with Section 19(b) of the Rehabilitation Act are made at the State level, not the agency level.

recipient's SE-A award is $50,000 and the SE-B award is $50,000. Therefore, the following conditions apply.

- The recipient must obligate or expend $5,555.56 in non-Federal share in the year of appropriation to fully match the SE-B award. This would permit the obligation and expenditure of the total SE-A and SE-B award amounts.
- To carryover FFY 2023 SE-A and SE-B funds into the next FFY (2024), the recipient must have an unobligated balance of SE-B Federal funds that have been matched at the end of the year of appropriation (4th quarter). Keeping with the previous example, if the recipient provided $3,000 in non-Federal share for the SE-B award, the recipient would only be allowed to expend in the year of appropriation, or carry over to the subsequent year, up to $27,000 in SE-B funds and $27,000 SE-A funds.
- If the recipient provides only $3,000 in non-Federal share, matching $27,000 in Federal SE-B funds, the recipient may only expend $27,000 in Federal SE-A funds.

A recipient cannot avoid its match obligation by giving back its SE-B grant to the U.S. Department of Education because the amount of its SE-A grant then becomes its SE allotment, and the recipient would be required to reserve and expend 50 percent of that amount on youth with the most significant disabilities and match at least 10 percent of that amount. The amount to be reserved and expended will be affected by adjustments to a recipient's allotment made throughout the year of appropriation, such as adjustments made during the reallotment process, if applicable. Failure to liquidate sufficient non-Federal obligations or make the necessary accounting adjustments could result in more funds being carried over than were authorized, which could result in RSA seeking recovery of those funds.

3. *Carryover of Program Income* - Section 19(a)(2) of the Rehabilitation Act permits recipients to carry over program income, if any, for obligation and expenditure in the subsequent FFY. Recipients do not need to satisfy a non-Federal share requirement to carry over program income funds. To the extent that program income funds are available, recipients must disburse those funds (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting (i.e., drawing down) additional funds from RSA in accordance with the program specific regulations as listed in Grant Award Notification Attachment RSA-2, Program Income.